

8.40.00.00 - OUTDOOR ADVERTISING STRUCTURES

8.40.01.00 **General**

Section 5403, Business and Professions Code, and Section 721, Streets and Highways Code, regulate outdoor advertising structures on highway right of way. Sections 5405, 5406, 5407 and 5408, Business and Professions Code, regulate advertising structures adjacent to any State highway included in the Interstate and Primary highway systems.

No new structures shall be placed on State-owned properties whether the properties are considered excess or being held for future highway use. Existing structures may remain on the theory that the property does not, at present, constitute a portion of the right of way, but is being held by the State for future use.

Removal or relocation of outdoor advertising company structures from right of way for Interstate or Primary highways to a location outside the area being acquired shall conform to the requirements of the above Code Sections.

8.40.02.00 **Structures on Williamson Act Agricultural Preserves**

Land placed in an agricultural preserve contract under the Williamson Act (Government Code Sections 51200-51295) is limited to agricultural uses. Other uses are prohibited by the terms of the contract. If the property being acquired has an outdoor advertising structure located in the acquisition area, the compensability status of the structure will have been determined prior to the commencement of appraisal.

Outdoor advertising structure placements will fall into one of the following two categories:

- A. A structure placed on a property after the land is placed in an agricultural preserve is illegal and payment **must not** be made for its removal. Removal of such structure should be enforced by the county or the local entity as a party to the Williamson Act contract.
- B. A Structure is in place when the property is placed in an agricultural preserve. Generally, payment is made for the removal of any structure located adjacent to an Interstate or Primary highway, if it was

legally placed prior to November 6, 1978. This will have been cleared with the Legal Division prior to proceeding with the appraisal.

8.40.03.00 **Acquiring Interests of Outdoor Advertising Company**

The outdoor advertising company must have a written or oral agreement with the owner or lessee of the real property. The agreement must be in effect and authorize the structure to remain placed for a period of time beyond the date of State's acquisition. (The date of acquisition is considered to be the earliest of the following dates: the effective date of a Right of Entry, the day following the date of close of escrow for the underlying fee interest, or the date of issuance of summons when State acquires property subsequent to the date the summons was issued.)

A Quitclaim Deed and Contract will be obtained from the Company. The Contract will have the following clause:

"Pay the undersigned grantor the sum of \$_____ for the interest as conveyed by above document(s) when grantor's advertising structure(s) _____ located

_____ has (have) been removed. Said payment shall be made within 90 days following the date the Department of Transportation receives from the grantor a statement certifying to the removal of the structures.

The undersigned grantor further agrees to remove the structure(s) not later than 10 days after receiving written notification from the Department of Transportation to do so. In the event the structure(s) has (have) not been removed by said date, the State of California, or its authorized agent, is granted the right to remove and dispose of the structure(s) as it may deem fit."

No written or oral commitments are to be made which makes structure removal contingent upon project certification or construction dates. If the structure is fully conforming to State and local law

and would create no problems if allowed to remain in place for a period of time, then the site for the structure can be rented to the Company without loss of its right of compensation.

If the structure is not fully conforming and/or its removal is imminent, no rental will be permitted and the Contract should provide for immediate removal of the structure.

Where the Company has only a leasehold interest, the Contract will have the following clause:

"The undersigned grantor agrees that acceptance of the compensation to be paid under the terms of this contract constitutes a waiver of any rights to any other compensation to which grantor would otherwise be entitled and is in lieu of the just compensation that grantor might have received if the removal had been required by the Department of Transportation while exercising its right of eminent domain."

The Company may claim compensation on the basis of direct costs (see Appraisal Chapter and pertinent exhibit). They will have to submit an itemized statement of such direct costs to the Department. The company books and records will have to be made available for inspection or audit to justify these costs. Where historical direct costs are not available from the company's records, the company may estimate the amount of such direct costs. These estimates will be subject to verification by the Department.

The following clause will be included in the Right of Way Contract:

"The grantor shall, upon request, make available for inspection or audit books or records pertaining to the historical or estimated direct costs of the structure(s) covered by this contract. Grantee's right to make said audit or inspection shall terminate four years after payment is made to grantor under this contract."

Where a structure is located on a total acquisition which is completely within the right of way or where the structure is located on that portion of a total acquisition which lies within the right of way, no relocation on the remainder will be permitted. The rates discussed in the Appraisal Chapter will apply. When relocation cost for special builds, painted bulletins or urban rotate bulletins is based on a moving estimate from the sign company by use of

rates in the Appraisal Chapter, the following clause will be included in the Right of Way Contract:

"The grantor shall, upon request, make available for inspection or audit books or records pertaining to the cost attributable to the relocation of the structure(s) covered by this contract. Grantee's right to make said audit or inspection shall terminate four years after payment is made to grantor under this contract."

On partial acquisitions, if the structure is relocated under all of the following conditions (a) within one year after the date of initial removal, (b) at a new location within 457.32 meters of the old location, and (c) on any contiguous property owned by the Company's lessor at the time of initial removal, the Company shall be entitled only to the schedule of relocation allowances for structures pursuant to the Appraisal Chapter. Therefore, every Contract based on the assumption the structure cannot be relocated shall contain the following clause:

"The undersigned grantor agrees that if the structure(s) is (are) relocated in a conforming location under a State outdoor advertising permit (a) within one year after the initial removal, (b) to a new location within 457.32 meters of the former location, and (c) on any contiguous property owned by the grantor's lessor or permitter at the time of initial removal, the grantor shall be entitled to only a relocation allowance." If grantor does relocate said structure(s) grantor shall, within 90 days following the date of such relocation, pay to the Department of Transportation the difference between the amount paid pursuant to Clause 2(A) above and the established relocation allowance."

Every effort should be made to make payment to the Company within 90 days after the date the Department receives, from the company, a certificate of removal of a structure and completion of such other forms as the Department may require in connection with the payment of compensation.

8.40.04.00 Structure Rentals

All structure rentals shall be prorated as of the day following the date the deed to the State is recorded or the day following the date the State secures legal possession, whichever occurs first. Fair rental rates will be charged for all structures allowed to remain within the right of way. The determination of the fair

rental rate will be based on comparable rentals being paid in the general vicinity.

For structures located partially within the area being acquired, and being allowed to remain until notice to remove or relocate is given, the Contract shall provide for the appropriate proration of rental payment by the advertising company to both the State and grantor.

NOTES: